

STATE OF SOUTH CAROLINA**South Carolina Electric & Gas Company Annual Review of
Base Rates for Fuel Costs****BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA****COVER SHEET****DOCKET****NUMBER: 2008 - 2 - E**

(Please type or print)

Submitted by: K. Chad Burgess**SC Bar Number: 69456****Address: SCANA Corp.
1426 Main Street MC 130
Columbia, SC 29201****Telephone: 803-217-8141****Fax: 803-217-7931****Other:****Email: chad.burgess@scana.com**

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: _____

INDUSTRY (Check one)**NATURE OF ACTION (Check all that apply)**

- | | | | |
|--|--|--|--|
| <input checked="" type="checkbox"/> Electric | <input checked="" type="checkbox"/> Affidavit | <input checked="" type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Electric/Water/Telecom. | <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Water/Sewer | <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |



February 28, 2008

K. Chad Burgess
Senior Counsel

chad.burgess@scana.com

VIA HAND DELIVERY

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RECEIVED
2008 FEB 28 PM 11:28
SC PUBLIC SERVICE
COMMISSION

RE: South Carolina Electric & Gas Company Annual Review of Base Rates
for Fuel Costs
Docket No. 2008-2-E

Dear Mr. Terreni:

Pursuant to a letter dated January 18, 2008, from the Docketing Department of the Public Service Commission of South Carolina transmitting the Supplemental Notice of Hearing and Prefiled Testimony Deadlines ("Notice") in the above-referenced matter, please find enclosed for filing an affidavit of John R. Hendrix, Manager of the Electric Pricing and Rate Administration Department for SCANA Services, affirming that the Notice was mailed to each customer of South Carolina Electric & Gas Company on or before February 27, 2008.

Please acknowledge your receipt of these documents by file stamping the extra copy of this letter and returning it with our courier.

By copy of this letter, we are providing counsel for the South Carolina Office of Regulatory Staff as well as counsel for all other parties of record a copy of the enclosed documents.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

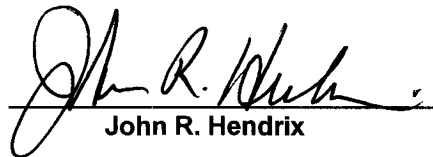
cc: Shannon Bowyer Hudson, Esquire E. Wade Mullins III, Esquire
Nanette S. Edwards, Esquire Scott Elliott, Esquire
Damon E. Xenopoulos, Esquire
(all via first class mail w/enclosures)

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

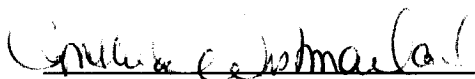
AFFIDAVIT
Docket No. 2008-2-E

PERSONALLY APPEARED before me, John R. Hendrix, who being first duly sworn, deposes and says that he is Manager of the Electric Pricing and Rate Administration Department for SCANA Services; that at his direction and under his supervision the Supplemental Notice of Hearing and Prefiled Testimony Deadlines attached as Exhibit A and incorporated herein have been mailed to all applicable Customers of South Carolina Electric & Gas Company via bill insert on or before February 27th, 2008.


John R. Hendrix

SWORN TO before me

28th day of February 2008.

 (L.S.) Notary Public for South Carolina

My Commission Expires: 9-13-2011

SC PUBLIC SERVICE
COMMISSION

2008 FEB 28 PM 4: 29

RECEIVED

SCE&G's Annual Review of Base Rates for Fuel Costs¹ proceeding has been scheduled to begin at **10:30 a.m. on March 27, 2008**, in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina.

Any person who wishes to participate as a party of record regarding the municipal fee payment issue, with the right of cross-examination, and who has not filed a general Petition to Intervene, should file a Petition to Intervene Regarding the Municipal Fee Payment Issue in accordance with the Commission's Rules of Practice and Procedure, on or before **March 7, 2008**, and indicate the amount of time required for his presentation. *Please refer to Docket No. 2008-2-E.*

Any person who wishes to testify and present evidence on the municipal fee payment issue should notify the Docketing Department, in writing, at the address below, the Office of Regulatory Staff, at P.O. Box 11263, Columbia, South Carolina 29201 and K. Chad Burgess, Esquire, South Carolina Electric and Gas Company, 1426 Main Street, MC 130, Columbia, South Carolina 29201 on or before **March 7, 2008** and indicate the amount of time required for his presentation. *Please refer to Docket No. 2008-2-E. Please note that the Commission has established a deadline for the pre-filing of direct testimony related to the municipal fee payment issue by intervenors of March 14, 2008. Reply testimony must be pre-filed and in the hands of all parties of record on or before March 24, 2008.*

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **March 7, 2008. Please refer to Docket No. 2008-2-E.**

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211

1/16/08



www.sceg.com

RS-08-001 01/08

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

SUPPLEMENTAL NOTICE OF HEARING AND PREFILED TESTIMONY DEADLINES

DOCKET NO. 2008-2-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY - ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS

This Supplemental Notice relates to a request by South Carolina Electric and Gas Company ("SCE&G" or "the Company") regarding the disposition of a positive collection balance in the company's accounts related to municipal fee payments, which the Company has proposed to address in the context of the Commission's annual review of base rates for fuel costs. S. C. Code Ann. Section 58-27-865 (Supp. 2007) established a procedure for annual hearings to allow the Public Service Commission of South Carolina ("the Commission") and all interested parties to review the fuel purchasing practices and policies of SCE&G and for the Commission to determine if any adjustment in the fuel cost recovery mechanism is necessary and reasonable.

In December 2007, SCE&G informed the Commission, through written correspondence, of a positive collection balance in the Company's accounts related to municipal fee payments. Municipal fees are paid by SCE&G for the privilege of using municipal streets, alleys, and other public places for the provision of electric and gas service and are passed through to its customers residing in municipalities in South Carolina.

SCE&G proposes to credit approximately \$27 million of the positive collection balance to the Company's environmentally-related fuel costs, and \$10.5 million to the demand charge cost of gas calculation for the residential and small and medium general service customer classes during the month of December, 2007. The Company also proposes that, going forward, it be allowed to record current-year municipal fee payments as a pre-paid expense on the balance sheet. Further, SCE&G proposes, going forward, to record current-year collections as other electric or gas revenue, as appropriate, net of the amortization of the prior year prepayment. The Company states that, in this manner, future balances would not be allowed to accumulate, but instead would flow through operating results as regulated income to offset current operating expenses and mitigate the effects of inflation and other pressures on rates.